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SUBJECT: CANADIAN VIEWS ON APEC 2006

REF: A. STATE 14967  
[1](#)B. WELLINGTON 102

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[1](#)1. SUMMARY: Canadian priorities for APEC in 2006 share broad common ground with U.S. objectives described in ref.A. The GOC is focusing on health security, private-sector-led development, and continuing to use APEC leaders' statements to influence WTO negotiations. End Summary. End Summary.

[1](#)2. (SBU) EconMinCouns met with Director General for Economic Policy Drew Fagan and APEC Deputy Director Chris Burton of DFAIT to discuss Canadian objectives for APEC in 2006. They observed that there is a "lot of commonality" between U.S. and Canadian objectives. On the security side, Canada's priority is to work on implementation of last year's proposal for improving rail and mass transit security in conjunction with the U.S. Canada was pleased with the leaders' pledge to respect human rights rules in counterterrorism operations, and wants to move forward on this issue, e.g. through capacity-building exercises with APEC member states.

#### Health Security

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3.. (SBU) DFAIT officials said that they look forward to continuing to work closely with the U.S. as they take over the chair of the health security working group, and described the leaders' initiative on health as "useful." They hope the group will make progress on three areas:  
--risk communication - how and when to inform other governments and the public of health risks;  
--border measures;  
--HIV/AIDS. The Canadians commented that APEC leaders have not made any high-level commitments as a group on the HIV/AIDS issue; they would like to use APEC to build commitment and create a forum for working discussions, e.g. on the economic effects of AIDS.  
Border contingency planning is another area of concern, but Canadian officials suggested that the U.S. and Canada needed to get further along in bilateral work on these issues in the Security and Prosperity Partnership (SPP) framework before trying to broaden its scope APEC-wide.

#### Private Sector-Led Development

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[1](#)4. (SBU) Canada's joint initiative with New Zealand on private-sector-led development (ref.B) is a major priority. APEC is an opportunity to help regional governments understand that the private sector is the fundamental engine of development, and that creating an enabling environment (by addressing "behind-the-border" issues) is a key prerequisite for success. The Canadian approach will be to use business

people to underscore this point and share their experiences; they are looking for APEC endorsement for the proposed Montreal meeting in May.

#### Trade Policy

15. (SBU) Canada sees the role of APEC in WTO negotiations, via targeted leaders' statements, as highly constructive. APEC work on trade facilitation is also helpful in the WTO context.

#### But not a Free Trade Area

16. (SBU) Canada, however, shares U.S. reservations about a formal APEC-wide FTA, and will not be pushing the idea. Canadian officials noted that the proposal for a formal trade area originated with the Canadian chair of ABAC, Pierre Lorty, a former Bombardier CEO for whom trade facilitation is much less of an issue than straightforward market access, and agreed that ABAC should do a feasibility study.

#### Or Model FTA Language

17. (SBU) Canadian officials also expressed reservations about the utility of developing "model" FTA language and are not intending to make any proposals in this area. They are concerned that any model FTA language endorsed by all of APEC would function as a ceiling rather than a floor in individual negotiations, and that the bar would be set too low, hampering efforts to get more robust FTAs. (Canada is currently in talks with Japan and Korea on potential FTAs.) Transparency, however, remains a promising area in which model language might help raise standards.

#### Leaders' Meeting Planning

18. (SBU) Canadian officials met with Vietnamese senior officials on their way to Washington in January, and

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generally received the impression that the Vietnamese are doing the right things to prepare for the leaders' meeting in Vietnam. Canada has offered to help Vietnamese officials with training needs, but the Vietnamese have not yet gotten back to them with requests. Canada anticipates that China will continue to try to push from time to time to renegotiate terms of Taiwan's participation in APEC. Canadian officials also said that they had made it clear to the Vietnamese that security needs to remain on the agenda.

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